10:30 a.m. be equally divided and controlled between the two leaders or their designees; further, that following the cloture vote on the motion to proceed to S. 3240, the next hour be equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. WHITEHOUSE. Mr. President, to our colleagues, I announce that it is the intention of the majority leader to resume consideration of the motion to proceed to S. 3240, the farm bill, when the Senate convenes tomorrow. At 10:30 a.m., there will be a cloture vote on the motion to proceed to the farm bill. We hope to reach an agreement on amendments to the bill during Thursday's session.

ORDER FOR ADJOURNMENT

Mr. WHITEHOUSE. If there is no further business to come before the Senate, I ask unanimous consent the Senate adjourn under the previous order, following the remarks of Senator SESSIONS.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET

Mr. SESSIONS. Mr. President, every summer the Congressional Budget Office produces a long-term budget outlook. This is the report they produced yesterday, which is what they do every year. It is a grim document indeed, not a document that should give us comfort but should be a call to action as to what we would need to do about the financial future of our country. It is part of their effort to produce for Congress objective, impartial analyses. We all will complain about this or that from CBO, but they are pretty objective, and they work hard to produce the kind of information we can benefit from as Americans, certainly that we in Congress need as we deal with our challenges at this period in history. They lay out, over 25 years, what we could expect to see if current policy is extended.

These are some of the things they find in this report that are certainly disturbing to us. Actually, they are more than disturbing, they are unacceptable. They are absolute proof that we are on an unsustainable debt course, and that means we have to get off it or bad things will happen. The numbers I will give from this report, as Federal Reserve Chairman Mr. Bernanke indicated last year, would not happen—events wouldn't occur because we will have a crisis before that if we continue on this path.

This is what they found: 25 years under the current policy, annual deficits would reach $5 trillion a year or 17 percent of GDP and would rise steadily thereafter. In other words, we would have in 1 year a $5 trillion deficit. This year we expect to spend $3.7 trillion total, including defense and Social Security and Medicare.

They go on to make this finding: Federal debt would reach approximately 200 percent of GDP; that is, the debt would be twice as large as the entire American economy. Japan has that high a debt. It is the highest in the world. It is financed because of Japan's unusual saving policies—financed mainly internally, but we are not financing our debt that way now. In fact, 60 to 70 percent of our debt now is being financed by the Federal Reserve, by buying Treasuries by the Federal Reserve. That is very dangerous because it is, in effect, printing money. So this is an unsustainable path.

They go on to say annual Federal spending would rise to $10 trillion a year or 36 percent of GDP. So 36 percent of the entire economy would be consumed by Federal Government spending. We are now 18 to 20 percent, in that range. This is a historic alteration of the fundamental concept of our government being a government of limited powers. That is a stunning number.

They go on to say this: Yearly interest, what we would pay yearly, would reach $2.7 trillion. That is certainly a large number. As I said, this year we spent $3.7 trillion.

The Federal debt, according to the report, will be double the size of the entire U.S. economy in 2037, 25 years from now. CBO agrees that higher levels of Federal Government debt will burden American families and destroy economic growth. We have had studies on that. Reinhart and Rogoff reports—I think most economists agree with this principle—that when taxes reach high levels, it pulls down the entire economy's ability to grow.

They go on to say each family's share of the Federal debt will climb to $382,000, per family, by 2037 or an additional $287,000 over what today's family's share of the total American debt is. That is, of course, more than twice as much.

CBO warns that ''large budget deficits and growing debt would . . . lower the growth of incomes in the United States.''

According to CBO data, over the next 20 years, high debt levels will result in $21 trillion less in economic output. This is a significant reduction in economic growth, and it is out of growth that we hope to be able to close the deficit gap. Without growth, we can't do it. But if we run our debt too high, it pulls down growth and makes it even more difficult for us to maintain the growth levels we need to get our economy and Federal budget under control.

They go on to say that government debt will also slow economic growth nearly 1 percent a year, on average, supporting a landmark study done by Reinhart and Rogoff that quantified the effect of debt on advanced economies.

I asked Secretary of Treasury Geithner about the Rogoff-Reinhart study. He said it was an excellent study. Then he added: In some ways, it understates our problems.

We were talking about this 1 percent factor. When our debt exceeds 90 percent of GDP, we lose 1 percent of growth. He acknowledged the validity of that, and then went on to say that it understates the problem, because when we reach that high debt level, we are vulnerable to an economic shock—another recession, a 2007 debt crisis, a Greek-like problem.

Government debt, the report indicates, will also slow economic growth, and that 1 percent of slowing growth, according to numbers released by the Obama administration—and I think they are pretty accurate—1 million jobs is 1 percent of GDP. So if we go from 2 percent to 1 percent GDP growth, 3 percent to 2 percent GDP growth, we lose 1 million jobs.

We don't need to be losing jobs. We need to be creating jobs, and debt is a threat to economic growth. The idea some people have that we could continue to borrow, borrow, borrow and spend, spend, spend and this will create a healthy growing economy that could be sustained is absolutely truly false, I believe.

CBO gave this ominous warning:

> Growing debt also would increase the probability of a sudden financial crisis, during which investors would lose confidence in the government's ability to manage its budget and the government would thereby lose its ability to borrow at affordable rates.

It seems to me pretty clear, if we look at the numbers, that spending is the primary cause of our long-term fiscal imbalance—that and a lack of growth.

Under both the baseline and current policy scenarios set out by CBO, spending will remain well above historical averages. So it is not as if they are assuming we will cut spending and that we will reduce what the government spends each year. They are assuming the spending levels will be well above historical averages. If we return those spending levels to historical averages, I believe we then have a far better chance to get our economy under control, rather than just asking the American people to send more money to Washington.

Under current policy, annual Federal spending will exceed $10 trillion—or 36 percent of GDP—by 2037. Twenty-five years used to seem like a long time to me, but as I have gotten older, 25 is a lot shorter period of time.